

SERVICE QUALITY

Engineering and Management
Services Department

The Engineering and Management Services Department’s (EMSD, Staff or Department) mission is to develop, enhance and support utility management to provide quality services to customers and effective cost control of critical resources such as capital, technology and human resources. The Engineering Staff of EMSD conducts depreciation studies and provides specialized engineering analysis and assistance for all types of regulated utilities. The Engineers also provide quality of service support for local telephone exchanges through its line testing programs.

Major Projects During
2001

The EMSD staff participated in a variety of cases and audit projects during the year. Specifically, the Department participated in the Missouri Gas Energy rate case and addressed a variety of issues related to the Company’s provision of customer service in that case. The Department also participated in the Missouri-American Water merger and recommended a series of quality of service indicators and a reporting mechanism to the staff to ensure that service quality does not deteriorate once the merger is complete. This participation is consistent with staff’s past concerns in merger cases regarding the potential for service to decline in a post merger environment.

The staff performed an Implementation Review of Kansas City Power and Light Company (KCPL) during the year. The original audit, which reviewed the customer service practices of KCPL, was performed in 1999. The implementation review process is

performed by Staff subsequent to the initial audit and determines the Company’s progress toward implementing the recommendations presented in the original audit report.

During 2001, the EMSD staff continued to monitor AmerenUE’s handling of the Company’s billing errors that resulted during its conversion to the Company’s automated meter reading system (AMR). The EMSD staff has worked closely throughout the year with the Commission’s Consumer Services Department and AmerenUE on this matter. The EMSD staff also participated in Staff’s complaint case against AmerenUE.



PSC Chairman Kelvin Simmons answers the Consumer Services Hotline as part of the PSC’s activities during National Customer Services Week.

The staff has been receiving and reviewing status reports from a variety of companies as a result of merger cases. These reports contain information regarding customer service at the companies including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR). Information on distribution reliability at specific electric companies is also received.

The EMSD worked jointly with the Commission’s

Gas Procurement Department to review the management processes of UtiliCorp United Inc.'s Gas Supply Services Division. A report that identified a number of findings and recommendations for improvement was filed with the Commission on September 28, 2001.

The Staff continues graphing and analyzing company complaint data received from the Commission's Consumer Services Department. This data is maintained to track performance trends in the areas of consumer complaints to the Commission.

The Department also began participation in a new small water and sewer audit program designed to assist such companies in a variety of areas including customer billing, credit and collections, complaint handling and others. The Staff began this audit program in the summer of 2001.

The PSC's Engineering Staff have two principal areas of work: depreciation engineering being the primary responsibility of the group and telephone quality of service audits being the second area of responsibility.

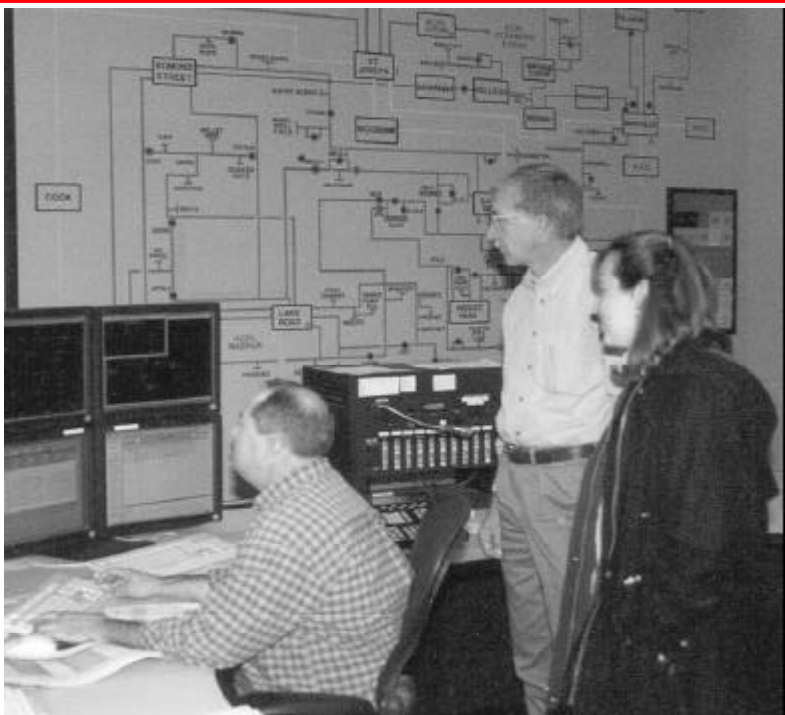
During fiscal 2001, the engineering Staff compiled depreciation studies and reports on 12 water companies, six sewer companies, 10 telephone companies, two electric companies and four gas companies. Six of these depreciation studies were major rate cases. In these six large cases, the Staff's depreciation proposals totaled \$64.2 million less than the positions offered by the companies.

Depreciation engineers make company visits and participate in plant tours to develop their knowledge and understanding of each company's tangible plant. This knowledge of company plant coupled with statistical analysis of plant mortality data, serves as the basis of Staff's work in each rate case. These "depreciation studies" are the support for Staff's depreciation rates in each case. The engineers' objective is to propose depreciation rates that are fair and appropriate for each company and the company's customers. Engi-

neers write testimony and testify before the Commission to support their positions in rate cases as well as participate in settlement discussions.

Engineering staff also provide telephone quality of service field-testing. This important technical work reduces customer risk of being without phone service or service that is of poor quality. This testing program includes testing a sample of telephone cable in order to locate defective lines. During fiscal 2001, depreciation engineers tested 4,340 pairs of telephone cable at 78 telephone company central offices throughout the state of Missouri.

Finally, the department's three depreciation engineers attend seminars and conferences to improve their skills, knowledge and professionalism. During fiscal 2001, depreciation engineers attended 14 training courses and gave technical presentations at three of the conferences they attended.



Energy Department Engineers Jim Ketter and Lena Mantle check electric system reliability for the transmission system of UtiliCorp's Missouri Public Service and St. Joseph Light and Power divisions.